Amendments to the Claims:

This listing of claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Currently Amended) In a digital rights management system in which a digital license confers predetermined usage rights in relation to a digital content, a method of transferring the usage rights from a first content player application to a second content player application, including the steps of:

    a)   associating with the first content player application a first status indication with respect to the digital license for indicating whether the first player application is entitled to exercise the usage rights conferred by the license;

    b)   associating with the second content player application a second status indication with respect to the digital license for indicating whether the second player application is entitled to exercise the usage rights conferred by the license;

    c)   transmitting a request for transfer of the usage rights from the second player application to the first player application;

    d)   setting the first status indication to indicate that the first player application is no longer entitled to exercise the usage rights;

    e)   transmitting a response transferring the usage rights from the first player application to the second player application; and

    f)   setting the second status indication to indicate that the second application is henceforth entitled to exercise the usage rights,

    wherein the steps (c) to (f) are carried out in the stated order.

2. (Currently Amended) The method of claim 1, wherein the first content player application executes on a first player device and the second content player application executes on a second player device.

3

3. (Currently Amended) The method of ~~either one of the preceding~~ claims 1, wherein prior to the step (c) of transmitting a request, the first status indication indicates that the first content player application is entitled to exercise the usage rights.

4. (Currently Amended) The method of ~~any one of the preceding~~ claims 1, wherein if the step (e) of transmitting a response is not successfully completed within a predetermined time following the completion of the step (c) of transmitting a request, the transfer of usage rights is aborted.

5. (Currently Amended) The method of ~~any one of the preceding~~ claims 1, wherein step (c) includes, after transmitting the request, setting the second status indication to indicate that the transfer of the usage rights has been requested.

6. (Currently Amended) The method of claim 5, wherein the step (c) of transmitting the request includes transmitting a request message from the second content player application to the first content player application, the message including the value of the second status indication.

7. (Currently Amended) The method of either one of claims 5 or 6, further including the step (g) of determining if the transfer of rights was aborted by checking the values of the first and second status indications to establish if the second content player application has requested the usage rights and the first content player application is no longer entitled to exercise the usage rights.

8. (Currently Amended) The method of ~~any one of~~ claims 1 ~~to 7,~~ wherein a plurality of status indications are associated with each of said first and second content player applications, corresponding with a plurality of digital licenses.

9. (Currently Amended) The method of claim 8, further including the step (h) of computing an authentication code that is a function of the values of the respective status indicators associated with each of the first and second content player applications each time a status indication associated with the corresponding content player applications is altered.

4

10. (Currently Amended) The method of claim 9, wherein the authentication code is computed as a one-way hash function of all of the respective status indication values.

11. (Currently Amended) The method of claim 10, further including the step (i) of associating a secret key with each one of said first and second content player applications, wherein the authentication code is computed as a function of the corresponding status indication values and said secret key.

12. (Currently Amended) The method of claim 11, wherein the authentication code is computed as a function of the corresponding status indication values and the current value of a secure monotonic counter associated with the respective content player application, said counter being incremented each time any status indication is altered.

13. (Currently Amended) The method of ~~any one of the preceding~~ claims 1, wherein the step (e) of transmitting a response includes transmitting the digital license from the first player application to the second player application.

14. (Currently Amended) The method of claim 13, wherein the digital license includes a validated portion including characteristic information of a digital content decryption key that is required for decrypting the digital content, and an unvalidated portion including the digital content decryption key encrypted using an encryption key associated with the first digital content player application, and wherein transmitting the digital license from the first player application to the second player application includes the steps of:

(j) decrypting the digital content decryption key using a decryption key associated with the first digital content player application;

(k) using the decrypted digital content decryption key to generate the characteristic information of the digital content decryption key;

(l) verifying that the generated characteristic information matches the characteristic information included in the validated portion of the first digital license; and

if the verification is successful, (m) encrypting the digital content decryption key using an encryption key associated with said second digital content player application and including said encrypted key in the unvalidated portion of the digital license to be transmitted to the second player application.

5

15. (Original) In a digital rights management system in which a digital license confers predetermined usage rights in relation to a digital content, a system for transferring the usage rights from a first content player application to a second content player application, including:

request transmitting means adapted to transmit a request for transfer of the usage rights from the second player application to the first player application;

first indication setting means adapted to set a first status indication associated with said first content player application to indicate that the first player application is no longer entitled to exercise the usage rights;

response transmitting means adapted to transmit a response transferring the usage rights from the first player application to the second player application; and

second indication setting means adapted to set a second status indication associated with said second content player application to indicate that the second application is henceforth entitled to exercise the usage rights.

16. (Currently Amended) The system of claim 15, including first and second content player devices, wherein the first device includes said first indication setting means and said response transmitting means, and the second device includes said request transmitting means and said second indication setting means.

17. (Currently Amended) The system of ~~either one of~~ claims 15, ~~or 16~~ further including:

request receiving means adapted to receive a request for transfer of the usage rights transmitted from the second player application at the first player application; and

response receiving means adapted to receive a response transferring the usage rights transmitted from the first player application at the second player application.

18. (Currently Amended) The system of ~~any one of~~ claims 15, ~~to 17~~ further including a timer arranged to measure a predetermined time-out period following the transmission of a request for transfer of the usage rights from the second player application, and whereby the system is adapted to abort the transfer of usage rights if a corresponding response is not received by the response receiving means prior to the expiry of said predetermined time-out period.

19. (Currently Amended) The system of ~~any one of~~ claims 15, ~~to 18~~ wherein the request transmitting means is adapted to transmit a request message that includes the value of the second status indicator.

20. (Currently Amended) The system of ~~any one of~~ claims 15, ~~to 19~~ further including authentication code computing means adapted to compute an authentication code that is a function of the value of at least one of the first and second status indications, each time the value of the corresponding status indication is altered.

21. (Currently Amended) The system of claim 20, wherein the authentication code computing means computes the authentication code as a one-way hash function including the value of the corresponding status indication.

22. (Currently Amended) The system of claim 21, wherein the authentication code computing means computes the authentication code as a function of the value of the corresponding status indication and a secret key.

23. (Currently Amended) The system of claim 22, including secure storage for storing the value of the secret key.

24. (Currently Amended) The system of either one of claims 22 or 23, further including a secure monotonic counter associated with each of said first and second content player applications, each secure monotonic counter being incremented each time a status indication associated with the corresponding application is altered, wherein the authentication code computing means computes the authentication code as a function of the value of the corresponding status indication and the current value of the corresponding secure monotonic counter.

25. (Currently Amended) The system ~~of any one~~ of claims 15, ~~to 24~~ further including first and second tracking files associated respectively with said first and second content player applications, wherein the first and second status indications are implemented as transaction flags stored in said tracking files.

7

26. (Currently Amended) The system of claim 25, including a plurality of tracking flags corresponding with a plurality of digital licenses, wherein the transaction flags are associated with the corresponding digital licenses by using a unique license identifier stored within the license as an index in said tracking files.

27. (Currently Amended) The system of any one of claims 15, to 26 which is implemented, at least in part, using one or more tamper resistant secure computing devices.

28. (Currently Amended) The system of any one of claims 15, to 27 including license transmitting means adapted to transmit the digital license from the first player application to the second player application.

29. (Currently Amended) The system of claim 28, wherein the digital license includes a validated portion and an unvalidated portion, the validated portion including characteristic information of a digital content decryption key that is required to decrypt the digital content, and the unvalidated portion including the digital content decryption key encrypted using an encryption key associated with the first digital content player application, and the system further including:

digital content decrypting means adapted to decrypt the digital content decryption key using a decryption key associated with the first digital content player application;

generating means adapted to generate the characteristic information of the digital content decryption key using the decrypted digital content decryption key;

verification means adapted to verify that the generated characteristic information matches the characteristic information included in the validated portion of the first digital license; and

encryption means adapted to, if the verification is successful, encrypt the digital content decryption key using an encryption key associated with said second digital content player application and to include said encrypted key in the unvalidated portion of the digital license to be transmitted to the second digital content player application.

30-43. (Cancelled)

8

44. (Original) A digital content player device for use in a digital rights management system in which a digital license confers predetermined usage rights in relation to a digital content, the device including:

request transmitting means adapted to transmit a request for transfer of the usage rights from another device to said digital content player device;

response transmitting means adapted to transmit a response to a request for transfer of the usage rights received by said digital content player device from another device;

request receiving means for receiving a request for transfer of the usage rights by said digital content player device from another device;

response receiving means for receiving a response by said digital content player device from another device to a transmitted request for transfer of the usage rights; and

indication setting means adapted to set a status indication to indicate that said digital content player device is entitled to exercise the usage rights when the rights are transferred to the digital content player device, and to indicate that the digital content player device is not entitled to execute the usage rights when the rights have not been transferred to the digital content player device.

45. (Currently Amended) The digital content player device of claim 44, further including a timer configured to measure a predetermined time-out period following the transmission of a request for transfer of the usage rights by the request transmitting means, and wherein the digital content player device is adapted to abort the transfer of usage rights if a corresponding response is not received by the response receiving means prior to the expiry of said time-out period.

46. (Currently Amended) The digital content player device of either one of claims 44, or 45 including authentication code computing means adapted to compute an authentication code that is a function of the value of said status indication each time the value of the status indication is altered.

47. (Currently Amended) The digital content player device of claim 46, wherein the authentication code is computed as a one-way hash function of the value of the status indication.

9

48. -49. (Cancelled)

50. (Currently Amended) The digital content player device of ~~any one of~~ claims 44, ~~6 to 49~~ further including a secure monotonic counter that is incremented each time the status indication is altered, and wherein the authentication code is computed as a function of the value of the status indication and the current value of the secure monotonic counter.

51. (Currently Amended) The digital content player device of ~~any one of~~ claims 44, ~~to 50~~ further including a tracking file, wherein the status indication is implemented as a transaction flag stored in said tracking file, wherein the tracking file includes a plurality of transaction flags corresponding with a plurality of digital licenses, wherein each said transaction flag is associated with the corresponding digital license by using a unique license identifier stored within the license as an index in the tracking file.

52. (Cancelled)

53. (Original) In a digital rights management system, a method for generating a second digital license from a first digital license, wherein said first digital license confers predetermined usage rights in relation to a digital content upon a first digital content player application and said second digital license confers the usage rights upon a second digital content player application, said digital content being normally encrypted and only able to be decrypted using a digital content decryption key, the first and second digital licenses each including a validated portion and an unvalidated portion, wherein

the validated portion of the first digital license includes characteristic information of the digital content decryption key, and

the unvalidated portion of the first digital license includes the digital content decryption key encrypted using an encryption key associated with said first digital content player application,

the method including the steps of:

decrypting the digital content decryption key using a decryption key associated with the first digital content player application;

using the decrypted digital content decryption key to generate the characteristic information of the digital content decryption key;

10

verifying that the generated characteristic information matches the characteristic information included in the validated portion of the first digital license; and

if the verification is successful, encrypting the digital content decryption key using an encryption key associated with said second digital content player application and including said encrypted key in the unvalidated portion of the second digital license.

54. (Currently Amended) The method of claim 53, further including the step of verifying that the validated portion of the first digital license has not been altered or falsified, wherein the validated portion of the first digital license is preferably validated with a digital signature of a trusted authority, and the step of verifying that the validated portion of the first digital license has not been altered or falsified includes verifying that the digital signature is correct with respect to the trusted authority and the contents of the validated portion of the license.

55. (Cancelled)

56. (Currently Amended) The method of either claim 54, or claim 55 further including the step of rejecting the digital license if the license has been altered or falsified.

57. (Currently Amended) The method of any one of claims 53 to 56, wherein the validated portion of the first digital license includes characteristic information of the encrypted digital content, and the method includes the further steps of:

generating the characteristic information of the encrypted digital content; and

verifying that the generated characteristic information matches the corresponding information included in the validated portion of the first digital license.

58. (Currently Amended) The method of any one of claims 53, to 57 wherein the encryption key associated with the first digital content player application is the public key of a first public/private key pair, and the step of decrypting includes using the corresponding private key to decrypt the encrypted digital content decryption key.

59. (Currently Amended) The method of claim 58, wherein the step of encrypting includes using a public key of a second public/private key pair that is associated with the second digital content player application to encrypt the digital content decryption key.

11

60. (Cancelled)

61. (Cancelled)

62. (Original) In a digital rights management system, an apparatus for generating a second digital license from a first digital license, wherein said first digital license confers predetermined usage rights in relation to a digital content upon a first digital content player application and said second digital license confers the usage rights upon a second digital content player application, said digital content being normally encrypted and only able to be decrypted using a digital content decryption key, the first and second digital licenses each including a validated portion and an unvalidated portion wherein

the validated portion of the first digital license includes characteristic information of the digital content decryption key, and

the unvalidated portion of the first digital license includes the digital content decryption key encrypted using an encryption key associated with said first digital content player application,

the apparatus including:

decrypting means adapted to decrypt the digital content decryption key using a decryption key associated with the first digital content player application;

generating means adapted to use the decrypted digital content decryption key to generate the characteristic information of the digital content decryption key;

verifying means adapted to verify that the generated characteristic information matches the characteristic information included in the validated portion of the first digital license; and

encrypting means adapted to check if the verification is successful, and if so then to encrypt the digital content decryption key using an encryption key associated with said second digital content player application and to include said encrypted key in the unvalidated portion of the second digital license.

63. (Currently Amended) The apparatus of claim 62, further including license verifying means adapted to verify that the validated portion of the digital license has not been altered or falsified, and wherein the validated portion of the first digital license is preferably validated

with a digital signature of a trusted authority, and the license verifying means is adapted to verify that the digital signature is correct with respect to the trusted authority and the contents of the validated portion of the license.

64. (Cancelled)

65. (Cancelled)

66. (Currently Amended) The apparatus of ~~any one of~~ claims 62, ~~to 65~~ wherein the encryption key associated with the first digital content player application is the public key of a first public/private key pair, and the decrypting means is arranged to use the corresponding private key to decrypt the digital content decryption key, and wherein the encrypting means is preferably arranged to use the public key of a second public/private key pair that is associated with the second digital content player application to encrypt the digital content decryption key.

67. -69. (Cancelled)

70.   (New) The Method of any one of claims 3 to 14, wherein the first content player application executes on a first player device and the second content player application executes on a second player device.

71.   (New) The system of any one of claims 17 to 29, including first and second content player devices, wherein the first device includes said first indication setting means and said response transmitting means, and the second device includes said request transmitting means and said second indication setting means.

13